

**STRATEGY**

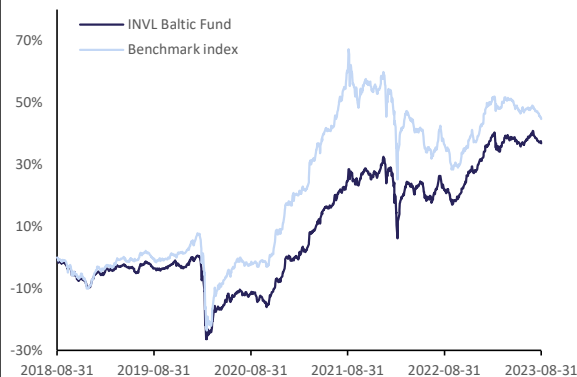
INVL Baltic Fund is investing into shares of companies listed on Baltic Stock Exchange or enterprises actively operating in the Baltic States. The fund is striving for maximum return by assuming high risk level. The fund focuses on long-term investments by identifying attractive economic sectors and picking undervalued companies.

Recommended investment period – more than 5 years.

**FACTS**

Management company	INVL Asset Management
ISIN code	LTIF00000096
Inception date	2005-12-15
Minimum investment	EUR 0
AUM, EUR M	11.5
Management fee	2%
Subscription fee	2%
Currency	EUR
Countries of distribution	Lithuania, Latvia, Sweden, Denmark, Finland, Norway, Germany

For more information on the fund (prospectus, benchmark, results) please click on the link below:  
<https://www.invl.com/en/investment/mutual-funds/invl-baltic-fund/fund-information/>

**RESULTS**


	<b>Fund</b>	<b>Benchmark ***</b>
Return YTD	6.8%	5.1%
Return 1Y	12.2%	5.8%
Return 3Y	54.6%	47.5%
3 year annualized return	15.6%	13.8%
5 year annualized return	6.5%	7.7%
Volatility (St. deviation)*	11.5%	12.7%
Sharpe ratio**	0.6	0.6

**FUND MANAGER COMMENT**

**World.** Volatility in markets increased while macroeconomic data were mixed. US confirmed solid GDP growth but in Europe it was modest. Headline and core inflation numbers changed a little and labor market remained very strong in both US and Europe. Meanwhile China's data were weaker than expected with slower retail sales, decreasing investments, and struggling RE sector. Moreover, credit rating agency Fitch downgraded US rating from AAA to AA-. Given all this, global equities and bonds fell, but stronger US dollar against euro partly compensated losses for euro area investors. MSCI World Index declined 0.9%. MSCI Emerging Markets Index dropped 4.7% and Emerging Europe stocks showed identical result.

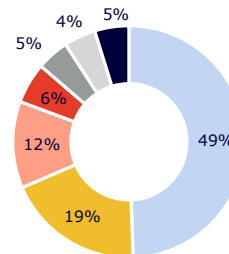
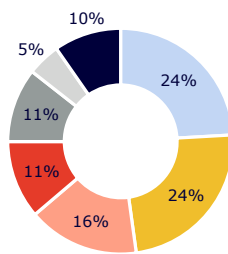
**Baltic market.** Our stocks also faced a correction but not as sharp as globally: OMX Baltic Benchmark Capped index decreased 2.8% and Fund's units fell 2.9%. Companies finished to report second quarter results and overall picture was rather good. Tallink Grupp (+7.8%) was the best performer as investors were reconfirmed by strong bottom-line figure that new strategy of chartering out some one third of company's fleet is working perfectly. Insurance companies were also amongst gainers with potentially higher revenues from investments because of increasing bonds yields. So, PZU climbed 0.5% and Vienna Insurance Group gained 1.9%. Despite of very strong Q2 and H1 by Ignitis Group (-0.2%) and semi-annual dividend proposal with annual yield 6.5%, its stocks changed a little. It seems that some single international investor used the positive news to sell out its stake held in GDRs and traded in London. But as a result, company's stocks now trades at P/E 5,0 and EV/EBITDA 4.5 and compressed spring effect is in place and may lead to some momentum gains. Stocks of Baltic and Swedish banks performed similarly and all faced downward correction at a range of 2-3%. Linas Agro Group (-3.0%), one of our biggest picks, continued to slide for a third month in a row. Its financial year ended on June 30 and the 4th quarter profitability was slightly below expectations. Despite of that, company, if excluding one off losses from sales of Belarussian and Russian daughter companies, reached the lower end of full year EBITDA target range of 70-90 million euros. On trading side August was very quiet month for the Fund. We slightly reduced position of Tallink Group and booked profit. We also took an opportunity of lower prices with attractive valuations and increased stakes of Vilkyškiu Pienine" and "Linas Agro Group".

\*Standard deviation is used to measure risk. Standard deviation is an indicator that measures how strongly fund's daily return deviates from its mean. The lower the standard deviation the lower the fund's risk. The standard deviation value corresponds to the period shown in the historical returns graph.

\*\*Sharpe ratio measures the performance of an investment compared to a risk-free asset, after adjusting for its risk. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance. Sharpe ratio value corresponds to the period since the inception date.

\*\*\*Benchmark index:

100% OMX Baltic Benchmark Capped Gross Index.

**BREAKDOWN OF INVESTMENTS**

**TOP 10 PORTFOLIO HOLDINGS**

Company Name	Percentage	Sector
AB IGNITIS GRUPĖ	9.3%	Utilities
LINAS AGRO GROUP AB	9.1%	Consumer Staples
ŠIAULIŲ BANKAS	9.1%	Financials
ENEFIT GREEN AS	6.3%	Utilities
Powszechny Zakład Ubezpieczeń	4.8%	Financials
TALLINK GRUPP AS	4.8%	Industrials
AB GRIGEO	4.8%	Materials
VIENNA INSURANCE GROUP AG	4.5%	Financials
APRANGA PVA	4.5%	Consumer Discretionary
TALLINNA KAUBAMAJA GRUPP AS	4.4%	Consumer Staples

**REASONS TO INVEST**

- GDP growth in the last 5 years has been significantly higher in the Baltic States - on average 3% per annum, in comparison to eurozone experiencing around 1% growth per annum (as of the end of Q4 2021).
- Active fund management allows choosing only the most attractive companies based on their valuations, management and growth opportunities.
- Fund management team takes active participation approach in cases of misconduct regarding minority shareholders in order to improve their corporate governance.

**COMPANY**

INVL investment management and life insurance group is a boutique asset management and life insurance company that offers a range of CEE-focused investment products since 2004. Team of ten portfolio managers, based in Vilnius, Lithuania (headquarters) and Riga, Latvia, use primarily fundamental value, bottom up approach and manage over 1.7 billion EUR in assets. Being nimble and highly competitive, INVL funds consistently rank high in international rankings. We adhere to the UN Principles for Responsible Investment (PRI) and are supervised by the Central bank of Lithuania.

**CONTACT**
**INVL investment management and life insurance group**

Gyneju 14, 01109 Vilnius, Lithuania

+370 610 18648

[vaidotas.rukas@invl.com](mailto:vaidotas.rukas@invl.com)
<http://www.invl.com>

Performance presented in the factsheet represents only fund's past performance results, which is no guarantee for future results. Investment return and principal value will fluctuate, so your investments may have a gain or loss. Current today's performance may be higher or lower than that quoted in the factsheet. The Management Company does not guarantee fund's performance results or ensure profit against loss. Please visit [www.invl.com](http://www.invl.com) for most recent month-end performance.

Before investing, please consider the funds' investment objectives, risks, and fees applied. To obtain more information about the fund, please visit [www.invl.com](http://www.invl.com), where you can find fund's key facts, NAV's, Rules, Prospectus and KIID which contain this and other important information.

All funds presented in the factsheet has benchmark. Benchmark indexes and their composition is selected to more accurately reflect the fund's investment strategy, defined in fund Rules and Prospectus.

All information and review of funds' past performance results cannot be considered as personal recommendation to invest in investment funds, managed by INVL Asset Management. Any information presented herein cannot be part or included in any transaction or agreement whatsoever. While this review was prepared and concluded based on the content of reliable sources, INVL Asset Management is not responsible for any inaccuracies or changes in such information, including losses that may occur when investments are made based on information presented herein.